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Paul

Lynn

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Attorneys for debtor-in-possession,
Mineral Resources International, Inc.

**IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF UTAH, CENTRAL DIVISION**

In re

MINERAL RESOURCES
INTERNATIONAL, INC.,

Debtor.

Bankruptcy No. 13-30606 (RKM)

Chapter 11

RECEIVED

SEP 25 2014

DIV. OF OIL, GAS & MINING

**NOTICE OF MOTION FOR ORDER APPROVING SETTLEMENT;
AND NOTICE OF OPPORTUNITY FOR HEARING**

(Objection Deadline: October 14, 2014)

PLEASE TAKE NOTICE that Mineral Resources International, Inc. (the "Debtor") has filed with the United States Bankruptcy Court for the District of Utah through counsel, the Debtor's Motion for Order Approving Settlement (the "Motion").

YOUR RIGHTS MAY BE AFFECTED. You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. If you do not have an attorney, you may wish to consult one.

NO HEARING WILL BE CONDUCTED ON THE MOTION UNLESS A WRITTEN OBJECTION IS FILED WITH THE CLERK OF THE COURT ON OR BEFORE THE OBJECTION DEADLINE SET FORTH BELOW.

If you do not want the Court to grant the relief requested in the Motion then you or your attorney must do each of the following:

- (1) on or before **October 14, 2014**, file with the Bankruptcy Court a written response to the Motion, explaining your position, at: United States Bankruptcy Court, 350 South Main Street, Room 301, Salt Lake City, UT 84101. If you mail your objection to the Bankruptcy Court for filing you must mail it early enough so that the Court will **receive** it on or before the date stated above. You must also mail a copy to the undersigned counsel George Hofmann at Parsons Kinghorn Harris, 111 East Broadway, 11th Floor, Salt Lake City, UT 84111.
- (2) attend a hearing on **November 4, 2014, at 11:00 a.m.**, at 350 South Main Street, Salt Lake City, Utah in Courtroom 369. **There will be no further notice of the hearing** and failure to attend the hearing will be deemed a waiver of your objection.

If you or your attorney do not take these steps, the Bankruptcy Court may decide that you do not oppose the relief sought in the Motion, and may enter an order granting that relief. In the absence of a timely filed response to the Motion, the undersigned counsel may and will ask the Court to enter an order approving the Motion without hearing.

Dated: September 24, 2014

PARSONS KINGHORN HARRIS
A Professional Corporation

/s/ George Hofmann
GEORGE HOFMANN
Attorneys for the Debtor

George Hofmann (10005)
Parsons Kinghorn Harris
A Professional Corporation
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**IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF UTAH, CENTRAL DIVISION**

In re

**MINERAL RESOURCES
INTERNATIONAL, INC.,**

Debtor.

Bankruptcy No. 13-30606 (RKM)

Chapter 11

MOTION FOR ORDER APPROVING SETTLEMENT

Pursuant to Fed. R. Bankr. P. 9019, Mineral Resources International, Inc. (the "Debtor"), through its undersigned counsel, hereby moves this Court for an order approving the settlement agreement between the Debtor and James Giles ("Giles"). In support of this Motion, the Debtor represents to the Court as follows:

GENERAL BACKGROUND

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The Debtor filed a voluntary chapter 11 petition on September 16, 2013. The Debtor continues to operate its business and manage its property as a debtor in possession pursuant to Bankruptcy Code §§ 1107 and 1108.

3. No examiner or trustee has been appointed in this case.

THE BACKGROUND

4. On November 7, 2013, Giles filed Claim No. 13 in this case (as amended, the "Claim") asserting a secured claim in the amount of \$21,463.19, and an unsecured claim in the amount of \$18,133.65. Giles asserts as security for his Claim (a) a supersedeas bond in the amount of \$12,172.71, and (b) garnished funds in the amount of \$9,827.35 held at Heritage West Title Insurance Agency, Inc. and posted in connection with Case No. 110907786 in the Second Judicial District Court in and for Weber County, State of Utah (the "District Court Case") (collectively, the "Bonds").

5. A judgment was entered in the District Court Case against the Debtor on May 2, 2014 (the "Judgment").

6. There are two pending appeals related to the District Court Case, pending in the Utah Court of Appeals under Case Nos. 20130694 and 20140451 (collectively, the "Appeals").

7. Subject to this Court's approval, the Debtor and Giles have entered into a Settlement Agreement which is attached as Exhibit A to compromise the various disputes and claims between them.

THE SETTLEMENT

8. The Debtor has agreed to release the proceeds of the Bonds to Giles in full and final satisfaction of the Claim. Giles has agreed to file a withdrawal of the Claim. The parties have agreed to file a satisfaction of the Judgment and the dismissal of the Appeals. The parties have agreed to exchange broad general releases, with the Debtor specifically waiving any preference claims against Giles under Bankruptcy Code § 547. The parties have agreed that the Agreement is not an admission of liability or fault and to keep the Agreement confidential except as is required to obtain this Court's approval of the Agreement.

BUSINESS JUDGMENT

9. It is the business judgment of the Debtor that the proposed settlement is in the best interest its bankruptcy estate (the "Estate") and that the Estate will be spared the substantial expense of litigation regarding this claim and the uncertainty respecting the outcome of the litigation, and that the above settlement should be approved and consummated as proposed. In reaching this conclusion, the Debtor considered the following factors:

- A. The complexity and expense in proving the facts necessary for the Court to grant a judgment in favor of the Debtor;
- B. In the Debtor's opinion there is merit to the Estate's position; however, given the complexity and inconsistency of various facts asserted by the parties, the Debtor believes there is a likelihood that the Estate will not prevail on all of the claims;
- C. The difficulty in collecting any judgment which may be awarded to the Debtor against the Giles;
- D. The delays which may be occasioned in completing the administration of this Estate; and
- E. The risk that if this settlement is not achieved at this time that it may be impossible or impractical to later settle this dispute.

WHEREFORE, the Debtor respectfully requests that the above-described settlement be approved, and for such other and further relief as may be just and proper.

Dated: September 24, 2014

PARSONS KINGHORN HARRIS
A Professional Corporation

/s/ George Hofmann
GEORGE HOFMANN

Attorneys for the Debtor

EXHIBIT A

SETTLEMENT AGREEMENT

This Settlement Agreement (this "Agreement") is made as of September 17, 2014, by and among Mineral Resources International, Inc. (the "Debtor") and James Giles ("Giles"), including, their agents, representatives, attorneys, employees, and anyone for whom they act or for whose conduct they may be liable; the Debtor and Giles are collectively the "Parties").

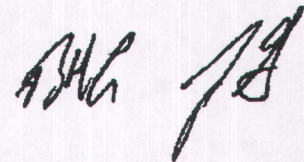
BACKGROUND

Whereas, on September 16, 2013, the Debtor filed a voluntary petition for relief under Chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Utah (the "Court"), commencing case number 13-30606 (the "Case");

Whereas, on November 7, 2013, Giles filed Claim No. 13 in the Case (as amended, the "Claim"), asserting a secured claim in the amount of \$21,463.19, and an unsecured claim in the amount of \$18,133.65;

Whereas, Giles asserts as security for his Claim (a) a supersedeas bond in the amount of \$12,172.71, and (b) garnished funds in the amount of \$9,827.35 held at Heritage West Title Insurance Agency, Inc. and posted in connection with Case No. 110907786 in the Second Judicial District Court in and for Weber County, State of Utah (the "District Court Case") (collectively, the "Bonds");

Whereas, a judgment was entered in the District Court Case against the Debtor on May 2, 2014 (the "Judgment");



Whereas, there are two pending appeals related to the District Court Case, pending in the Utah Court of Appeals under Case Nos. 20130694 and 20140451 (collectively, the "Appeals");

Whereas, the Debtor disputes the Claim for a variety of reasons, and believes that Giles receipt of garnished funds held at Key Bank, N.A. (the "Garnished Funds") constitutes an avoidable transfer under Bankruptcy Code §§ 547 and 550 (the "Preference Claim");

Whereas, mutually desiring to avoid the burdens, risks and expenses of litigation, the Parties have entered into this Agreement to facilitate a full and final resolution and settlement of the matters described above and to fully and finally resolve and settle any and all disputes between and among themselves;

NOW, THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

1. Release of Bonds to Giles. Within five business days of the Court's approval of this Agreement, the Debtor will stipulate to release the proceeds of the Bonds, including any interest accrued on those sums, to Giles in full and final satisfaction of the Claim. Effective upon Court approval of this Agreement, the Debtor waives and releases any claims to the Bonds or the Garnished Funds or their proceeds. Giles' counsel shall prepare any pleadings necessary to effectuate this paragraph, ~~which pleadings shall be subject to review and approval by the Debtor's counsel.~~ Within five business days of Giles's receipt of the proceeds of the Bonds (the "Effective Date"), Giles shall file a withdrawal of the Claim in the Case.

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2. Dismissal of State Court Proceedings. Upon the Effective Date, Giles counsel shall prepare and file with the appropriate court pleadings (subject to review and approval by the Debtor's counsel) to effect (a) the satisfaction of the Judgment; and (b) the dismissal with prejudice of the Appeals, each party to bear its own attorneys' fees and costs.

3. Release by Debtor. On the Effective Date, the Debtor, for itself and on behalf of its bankruptcy estate (the "Estate") (collectively, the "Debtor Releasers"), shall be deemed to have fully, finally and forever released and discharged Giles of and from any and all claims, counterclaims, crossclaims, actions, causes of action, suits, contracts, covenants, agreements, promises, trespasses, debts, dues, demands, accounts, bonds, bills, notices, controversies, obligations, liabilities, damages, judgments, executions, liens, encumbrances, claims for contribution and indemnity, losses, costs or expenses of any nature whatsoever, in law or in equity, known or unknown, suspected or unsuspected, asserted or unasserted, fixed or contingent, matured or unmatured, which any of the Debtor Releasers at anytime had, owned or held from the beginning of the world through the date of this Agreement against Giles by reason of any matter, cause, fact, thing, act or omission whatsoever arising out of, based upon, or relating to any matter or event whatsoever, past or present, including without limitation the Preference Claim (except for any obligations arising under this Agreement) (all of the foregoing are hereinafter collectively referred to as the "Debtor Claims"). ~~On and after the Effective Date, the Debtor hereby irrevocably waives the~~ right to commence, institute or prosecute any lawsuit, action or other proceeding against Giles relating to, arising from or in connection with the Debtor Claims.

4. Release By Giles. On the Effective Date, Giles shall be deemed to have fully, finally and forever released and discharged the Debtor and the Estate (the "Giles Releasees") of and from any and all claims, counterclaims, crossclaims, actions, causes of action, suits, contracts, covenants, agreements, promises, trespasses, debts, dues, demands, accounts, bonds, bills, notices, controversies, obligations, liabilities, damages, judgments, executions, liens, encumbrances, claims for contribution and indemnity, losses, costs or expenses of any nature whatsoever, in law or in equity, known or unknown, suspected or unsuspected, asserted or unasserted, fixed or contingent, matured or unmatured, which Giles at anytime had, owned or held from the beginning of the world through the date of this Agreement against any of the Giles Releasees by reason of any matter, cause, fact, thing, act or omission whatsoever arising out of, based upon, or relating to any matter or event whatsoever, past or present (except for any obligations arising under this Agreement) (all of the foregoing are hereinafter collectively referred to as the "Giles Claims"). On and after the Effective Date, Giles hereby waives the right to commence, institute or prosecute any lawsuit, action or other proceeding against the Giles Releasees relating to, arising from or in connection with the Giles Claims.

5. No Assignment. (a) The Debtor represents and warrants that it has not assigned, transferred, encumbered, granted a security interest in, or conveyed the Debtor Claims to any person or entity. (b) Giles represents and warrants that he has ~~not assigned, transferred, encumbered, granted a security interest in, or conveyed the~~ Giles Claims to any person or entity.

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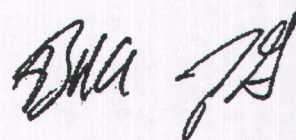
6. Bankruptcy Court Approval and Occurrence of the Effective Date. The Parties hereby acknowledged and agree that this Agreement is subject to the approval of the Court. To the extent that the Court does not approve the Agreement on or before November 15, 2014, or if the Effective Date does not occur on or before November 30, 2014, the terms and conditions of this Agreement shall be null and void, the Parties shall retain all of their respective rights and claims, and nothing contained herein shall be deemed a waiver of any and all rights and remedies of the Parties nor an acknowledgement by any of the Parties as to the respective rights and claims as provided for herein or otherwise.

7. Subject to Fed. R. Evid. 408. The Parties agree that this Agreement is entered into pursuant to, and entitled to the protections of, Rule 408 of the Federal Rules of Evidence.

8. No Admission of Liability. The Parties agree that neither the acceptance of, nor the performance of any obligations under this Agreement shall constitute or be construed as an admission of liability or fault by any of the Parties.

9. Confidentiality. The Parties, and each of them, represent and agree to the other that the parties will keep the terms, amounts, and facts set forth in this Agreement completely confidential, except to the extent necessary to obtain Court approval of this Agreement.

10. Entire Agreement. This Agreement embodies the entire agreement and ~~understanding between the Parties with respect to the subject matter hereof and~~ supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement

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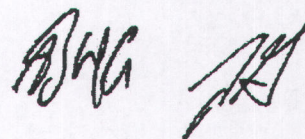
of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

11. Modifications and Amendments. The terms and provisions of this Agreement may be modified or amended only by a written agreement executed by all Parties.

12. Waivers and Consents. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by a written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

13. Benefit. All statements, representations, warranties, covenants and agreements in this Agreement shall be binding on the Parties and shall inure to the benefit of the respective successors and permitted assigns of each party hereto. Nothing in this Agreement shall be construed to create any rights or obligations except among the Parties, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

14. Governing Law. This Agreement and the rights and obligations of the Parties hereunder shall be construed in accordance with and governed by the law of the State of Utah, without giving effect to the conflict of law principles thereof.

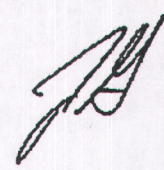


15. Retention of Jurisdiction. The Court shall retain exclusive jurisdiction to adjudicate any controversy, dispute or claim arising out of or in connection with this Agreement, or the breach, termination or validity hereof.

16. Headings and Captions. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect the meaning or construction of any of the terms or provisions hereof.

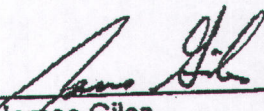
17. No Waiver of Rights, Powers and Remedies. No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the Parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of actions to enforce any such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

18. Counterparts. This Agreement may be executed in one or more counterparts, and by different Parties hereto on separate counterparts, each of which

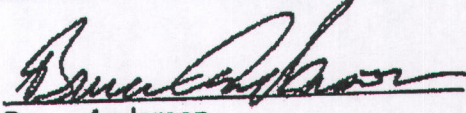


shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have signed this Agreement as of the date first above written.

By: 
James Giles

Mineral Resources International, Inc.

By: 
Bruce Anderson
Title: President

